Air Force Real Property Agency

Real Property Management, Development and Future Opportunities

U.S. AIR FORCE

AFRPA/RPM
Real Property Management
1 May 12

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AFRPA Overview

Strategic Asset Utilization Division (SAU)

- Division Overview
- Organization
- EUL Program Strategy
- EUL Project Pipeline

Real Property Management Division (RPM)

- Mission
- Organization
- Funding
- Programs
  - Portfolio Management
  - In-Kind Consideration
  - Real Property Support Visits
  - Withdrawn Lands Reconciliation
  - Section 801 Housing
  - REPI Program
- Summary

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SAU Division

- Strategic Asset Utilization Division
  - Branches:
    - Execution (Proposed Business Development Branch)
    - Value-based transactions, Enhanced Use Lease Program

An EUL is a lease…

- By the Government (U.S. Code, Title 10, Section 2667) of "non-excess" property to a public or private sector lesser

  in exchange for at least fair market valu

  payments (cash or in-kind consideratio
- EUL Return on Investment: Nine signed

  EULs $231.3M net present value over life o

SAU ORGANIZATION

Redacted

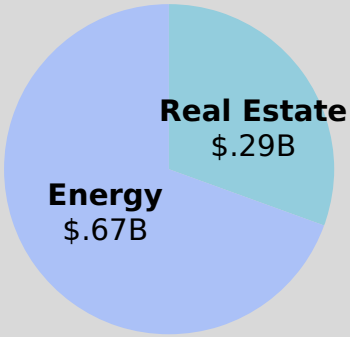
EUL Program Strategy

$5B *The $5 billion plan creates a predictable funding stream to offset budget shortfalls*

- **The EUL Program strategy to achieve the $5B Plan has three focus areas:**

Focus Area 1
Executed Leases and Execution Projects

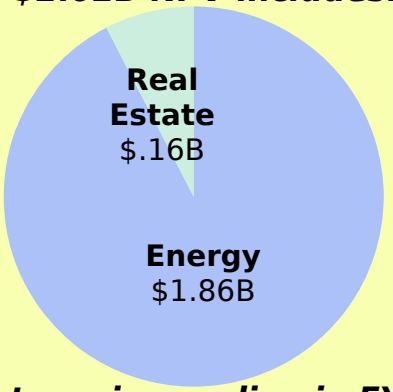
~$.96B NPV includes:



Complete in FY14

Focus Area 2
Project Identification Opportunities

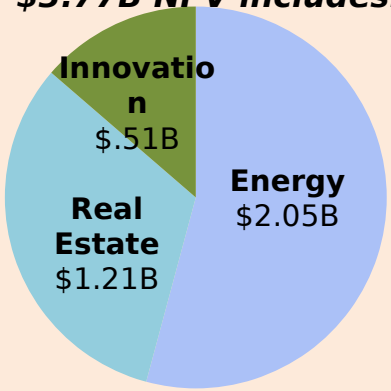
~$2.02B NPV includes:



Start coming on-line in FY15

Focus Area 3
Identified Future Initiatives

~$3.77B NPV includes:



Start coming on-line in FY14

Total: $6.75B by FY20

Project Pipeline

Execution		
Installation	**Type**	**Value (in M)**
Clear AFS, AK	Coal Plant	$240.0*
Eglin AFB, FL	Hospitality	$11.2
Eglin AFB, FL	Mixed use	$49.0
Edwards AFB, CA	Solar	$242.0
Holloman AFB, NM	Biomass	TBD
Hill AFB, UT	Waste Solution	$9.0
Hill AFB, UT	Co-generation	$100.0
Hill AFB, UT (Park City)	Land Swap	**
JB McGuire-Dix-Lakehurst	Energy	$409.0
Travis AFB, CA	Solar	$16.0
Patrick AFB, FL (Ramey AFS, PR)	Solar	$5.0
Total projected value		**$1194.2M**

Development

18 project opportunities

10 real estate opportunities

5 energy opportunities
- **Natural gas**
- **Solar**

<u>Three Initiatives</u>
- **Utility-centric**
- **Small modular reactor**
- **Geothermal**

Development efforts:
- **Joint Base McGuire-Dix-Lakehurst**
- **‘Bundling’ with other services**

* Cost avoidance
** Reduced room rates and amenities

RPM Division

- Real Property Management Division (RPM):
  - Trend, forecast analysis (identify new opportunities)
  - Post-closing Management (ongoing project support)
  - Inventory/validate Air Force real property assets
  - Central monitoring
    (all leases, licenses, permits and easements)

- RPM Branches
  - Real Property Management Integration (RPMI)
    Manage, analyze and leverage data to facilitate the effective integration of the Air Force's real property programs and initiatives, in accordance with E.O. 13327, Federal Real Property Asset Management.
  - Real Property Management Portfolio (RPMP)
    Provide long term management and sustainment of Leases (in-grants and out-grants), Easements, Enhanced Use Leases (EULs) and other Value Based Transactions (VBTs).

RPM Division
Organizational Structure

Redacted

RPM Funding

- FY 12
  - Contractor Support - $1.528M
    - PcM Support ($548.7K)
    - GEITA ($979.6K)
      - $879.6K Contractor Support
      - $100K BLM
  - Mission Related Travel - $253.5K
  - Travel/Training - $48K

Value-Base Transactions Portfolio Management

Purpose – Manage all value-based transactions (VBT) in the portfolio to ensure maximum-value for Air Force is realized

Goal – Provide oversight of VBT Projects to accurately track/manage in-kind consideration in Treasury/Trust Accounts to ensure delivery of the maximum value/benefit to the installations and the War Fighter

Accomplishments

- Six EUL projects in post-closing management with in-kind funds held in escrow/trust accounts by Lessees – combined value $231M
- Providing oversight of four value-based transactions: Hope Hotel (WPAFB), Cincinnati Asset Terminal, DC3 and the Johnston Atoll land-transfer

Way Ahead

- Fourteen energy-related projects are scheduled to move from the preliminary phases to post-closing management in the FY 12-16

Forecasted Value of EUL program = $5 Billion

Value-Base Transactions In-Kind Consideration

- In-Kind consideration includes construction of new facilities, provision of facilities, operation support and other appropriate services
- Examples:

Eglin AFB, FL:
Funding for much needed facilities maintenance and upgrades

Hill AFB, UT:
New office spaces to replace antiquated World War II-era warehouses

Nellis AFB, NV:
New Construction of an installation fitness facility

Actual Value Received (To date) = $35 Million

Real Property Support Visits - AF Grant Inventory & Analysis

Purpose – Conduct comprehensive inventory, review, and analysis of AF real property grants at each installation

Goal – Leverage ACES-RP data to evaluate existing & new opportunities for creating value

Program Accomplishments

- Identified an estimated 2,000 instruments not in ACES-RP
- Completed 14 installation visits to date
- Reviewed & scanned over 1200 instruments valued over $9.2M
- Identifying “Best Practices”

Way Ahead

- Continue installation visits
- Identify and integrate other ways to assist installation during visits
- Create “Best Practices” site on AF Portal
- Build standard practices

Over 7300 grants recorded in ACES-RP/ Instruments valued at $184.5M

Bureau of Land Management Withdrawn Lands Reconciliation

Purpose – Reconcile Air Force and Bureau of Land Management (BLM) records to determine correct total acreage and location of withdrawn lands

Goal – Determine use of withdrawn lands and make recommendations for transfer of land back to DOI or permanent fee title transfer to Air Force

Program Accomplishments

- Supporting/leading the Interagency Land Use Coordinating Committee (ILUCC)
- AFRPA leads DoD in Reconciliation Process
- 12 Installations/BLM site visits completed within 9 Months
- 1.1 million acres of withdrawn land verified/reconciled to date

Way Ahead

- Continue reconciliation efforts at remaining 10 installations (4 visits next 60 days)
- RPM working with RPOs/BLM to update real property records
- After reconciliations, determine “Real” requirements and initiate transfer/ disposition of withdrawn lands

AFRPA developed model to be used by DoD for withdrawn land reconciliation

Section 801 Housing Exit Strategy

Purpose – Actively Manage AF Transition Out of Remaining Section 801 Housing Leases, to mitigate Financial, Legal, and Mission Risks

Goal – Shape and Execute Exit Strategies returningValue to AF and Ensure Adequate Housing Availability for Military Families, as AF Transitions to MHPI

Program Accomplishments

- Developed detailed exit strategies transitioning AF out of 801 leases
- Negotiated sublease for vacant Summerfield lease; created ~$60M savings
- Reduced payments Eielson & O&M costs at Travis; created ~$3.5 savings
- Terminated Ellsworth lease at expiration date

Way Ahead

- Continue close coordination with AFCEE/HP to ensure smooth transition to MHPI at Hanbart & Eielson (CG) and at Cannon (NG)
- Leverage PcM Best-Practices to manage Summerfield sublease; ensure proper flow of funds and on-time payments by lessee

Total Projected Savings ~ $63M – Total Program Cost $3M

Readiness and Environmental Protection Initiative (REPI)

Purpose – Actively Manage REPI Program under the authority of 10 USC §2684a to Protect Range and Installation Missions and Species Habitat

Goal – Proactively Manage REPI Program as one encroachment management tool to Secure Projects and Funding to Limit Incompatible Development and/or Preserve Habitat

Program Accomplishments

- Instituted the use of Cooperative Agreements streamlining process
- Executed $16M in REPI executed Easements FY 11
- Received FY12 REPI Funding totaling $5.19M

Way Ahead

- Re-Delegation of Authority from SAF/IE to SAF/IEI, streamlining

Over 3,381 acres have been protected by REPI Executed Easements

Summary

- TAKEAWAYS……
- RPM Programs continues to experience success on several fronts and poised for future AF contributions:
  - Reviewed & scanned over 1200 instruments valued over $9.2M
  - 1.1 million acres of withdrawn land verified/reconciled to date
  - 801 strategy - Projected Savings ~ $63M ~ Program Cost $3M
  - Over 3,381 acres to date have been protected by REPI program
  - Providing post-closing management for six projects worth $231M
  - Executed over $35M worth of In-kind consideration projects
  - Energy focus…over 2000 incentive programs nationwide
  - HP/UP portfolio management…jury is out…yet RPM postured